

**APPENDIX III**

#### Commonwealth of Puerto Rico

1. The “Introductory Statement” in the Commonwealth Official Statements state that: **“The Bonds are being issued under the provisions of [Specified Act] of the Legislative Assembly (the “Act”) and other acts of the Legislative Assembly referred to in the Act, and pursuant to a resolution authorizing the issuance of the Bonds ....”**<sup>1</sup>
2. Under “Bonds,” and in a section captioned “Authorization,” the Commonwealth Official Statements state that: “Section 2 of Article VI of the Constitution of the Commonwealth provides that the power of the Commonwealth to contract and to authorize the contracting of debts shall be exercised as determined by the Legislative Assembly. **The Act was adopted by the Legislative Assembly pursuant to this power. ... In accordance with the Act, the Secretary of the Treasury adopted and the Governor approved the Bond Resolution, with the approval of the Secretary of Justice as to certain matters described below.**”<sup>2</sup>

#### Children’s Trust

1. The cover page of the Children’s Trust Official Statements states that: **“The Bonds are being issued by the Children’s Trust ... pursuant to the Children’s Trust Act [and an] Indenture ....”**<sup>3</sup>
2. The “black box” summary in the Children’s Trust Official Statements contains the same statements set forth above.<sup>4</sup>

#### Government Development Bank for Puerto Rico

1. The cover page of, and the summary contained in, the GDB Official Statements state that: **“[N]o amendment to [GDB’s enabling act] or to any other law of the Commonwealth may impair any of its outstanding obligations or commitments.”**<sup>5</sup>

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<sup>1</sup> See, e.g., Official Statement, dated March 11, 2004, pertaining to Commonwealth General Obligation Bonds of 2014, Series A (the “Commonwealth 2014 Official Statement”), at 1.

<sup>2</sup> See, e.g., Commonwealth 2014 Official Statement, at 26-27.

<sup>3</sup> See, e.g., Official Statement, dated April 23, 2008, pertaining to Children’s Trust Tobacco Settlement Asset-backed Bonds, Series 2008 (the “Children’s Trust 2008 Official Statement”), at cover page.

<sup>4</sup> See, e.g., Children’s Trust 2008 Official Statement, at S-1.

<sup>5</sup> See, e.g., Official Statement, dated February 1, 2012, pertaining to GDB Senior Notes, 2012 Series A (Taxable) (the “GDB 2012 Official Statement”), at cover page, 1.

2. Under “Government Development Bank,” the GDB Official Statements state:  
**“Government Development Bank has the power, among other things, to borrow money, to issue bonds, notes, debentures, and other obligations ....”**<sup>6</sup>
3. The form of opinion of bond counsel attached to the GDB Official Statements state that: **“The Notes are issued pursuant to [the GDB Enabling Act] and resolution adopted by the Executive Committee of the Board of Directors of [GDB] ....”**<sup>7</sup>

#### Puerto Rico Aqueduct and Sewer Authority

1. Under “The Authority,” the PRASA Official Statements state that: “The Authority has broad powers under the Act, including **the power ... to borrow money and issue bonds for any of its corporate purposes**, to secure the payment of its bonds and all other obligations by pledge of its revenues ....”<sup>8</sup>

#### Puerto Rico Convention Center District Authority

1. The cover page of the CCDA Official Statement states that: “The Bonds are payable primarily from certain revenues pledged therefor and derived from a **hotel occupancy tax imposed by the Commonwealth of Puerto Rico** ... on substantially all hotel room rentals in the Commonwealth.”<sup>9</sup>
2. Under “Introduction,” the CCDA Official Statement states that: (i) the “Enabling Act and the Occupancy Tax Act **authorize the Authority to pledge Hotel Occupancy Tax revenues to secure the payment of the Bonds**; and (ii) as required by the Occupancy Tax Act, **the issuance of the Bonds by the Authority has been approved by the Government Development Bank for Puerto Rico and the [Puerto Rico] Tourism Company.**<sup>10</sup> This authorization and these approvals could not have been given unless CCDA had the power and authority to issue bonds.
3. Under “Hotel Occupancy Tax” and “Security and Sources of Payment for the Bonds,” the CCDA Official Statement: (i) states that: “The Occupancy Tax Act provides that **so long as any Bonds remain outstanding, the Commonwealth covenants that [among other things], it will: not reduce the Hotel Occupancy Tax and the applicable tax rates currently in effect ... [and] not limit or alter the rights currently afforded to the Authority to pledge the Pledged Revenues and comply**

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<sup>6</sup> See, e.g., GDB 2012 Official Statement, at 23.

<sup>7</sup> See, e.g., GDB 2012 Official Statement, at III-1.

<sup>8</sup> See, e.g., Official Statement, dated February 15, 2012, pertaining to PRASA Revenue Bonds, Series 2012B (Senior Lien), at 29.

<sup>9</sup> Official Statement, dated March 15, 2006, pertaining to CCDA Hotel Occupancy Tax Revenue Bonds, Series A (the “CCDA 2006 Official Statement”), at cover page.

<sup>10</sup> CCDA 2006 Official Statement, at 1.

**with its obligations to the owners of the Bonds**” and (ii) refers to Appendix A to the CCDA Official Statements.<sup>11</sup>

4. Appendix A to the CCDA Official Statements contains the text of the Hotel Occupancy Tax, which indicates that **the Commonwealth’s non-impairment covenant: (i) is a commitment [of the Commonwealth] to “any [person or entity] who subscribes or acquires bonds, notes or other obligations ... for the payment of which the product of the [Hotel Occupancy] Tax is pledged;” and (ii) includes the obligation of the Commonwealth to not eliminate the Hotel Occupancy Tax.**<sup>12</sup>

#### Puerto Rico Electric Power Authority

1. Under “The Authority,” the PREPA Official Statements state that: “The Authority has broad powers under the Act, including, among others: ... **to borrow money and to issue bonds for any of its corporate purposes;** to secure the payment of its bonds and all other obligations by pledge of its revenues ....”<sup>13</sup>

#### Puerto Rico Highways and Transportation Authority

1. Under “Introduction,” the HTA Official Statements state that: “**The ... Bonds will be issued pursuant to Act No. 74 of the Legislature of Puerto Rico, approved June 23, 1965, as amended** [and] Resolution No. 98-06 adopted by the Authority on February 26, 1998, as previously amended ....”<sup>14</sup>
2. Under “The Authority,” the HTA Official Statements state that: “The Authority Act gives the Authority broad powers to carry out its responsibilities in accordance with the Department’s overall transportation policies. **These powers include, among other things ... the power to issue bonds, notes and other obligations.**”<sup>15</sup>
3. Under “Security and Sources of Payment for the Bonds,” the HTA Official Statements indicate that in addition to being payable from the revenues of tolls imposed by HTA, **the Bonds are payable from a tax on gasoline, a tax on gas oil, a tax on petroleum products, and motor vehicle license fees, in each case, imposed by the Commonwealth, paid by the Commonwealth to HTA, and pledged by HTA to the payment of the Bonds.**<sup>16</sup>

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<sup>11</sup> CCDA 2006 Official Statement, at 19, 22.

<sup>12</sup> CCDA 2006 Official Statement, at A-13.

<sup>13</sup> See, e.g., Official Statement, dated August 15, 2013, pertaining to PREPA Power Revenue Bonds, Series 2013A, at 28.

<sup>14</sup> See, e.g., Official Statement, dated February 15, 2007, pertaining to HTA Transportation Revenue Bonds (Series M), Transportation Revenue Refunding Bonds (Series N), and Highway Revenue Refunding Bonds (Series CC) (the “HTA 2007 Official Statement”), at 1.

<sup>15</sup> See, e.g., HTA 2007 Official Statement, at 34.

<sup>16</sup> See, e.g., HTA 2007 Official Statement, at 28.

4. Under “Security and Source of Payment for the Bonds,” the HTA Official Statements state that: **“The Commonwealth has agreed and committed ... that it will not reduce the gasoline tax below \$0.16 per gallon, the gas oil and diesel oil tax below \$0.04 per gallon, or the tax on petroleum products below the tax rates in effect on July 16, 1997, and that it will not reduce the amount of any such taxes payable to the Authority until all of the obligations of the Authority, including the Bonds, secured by the pledge thereof are fully paid. The Commonwealth has also agreed and pledged ... that it will not reduce the motor vehicle license fees payable [to HTA] and pledged to the payment of obligations of the Authority, including the Bonds, so long as the proceeds of such fees remain pledged to the payment of such obligations.”**<sup>17</sup>

Puerto Rico Housing Finance Agency

1. Under “Introduction,” the HFA Official Statements state that: **“The Authority is authorized to issue and sell notes and bonds to finance its activities.”**<sup>18</sup>
2. Under “The Authority,” the HFA Official Statements state that: **“The Authority is authorized to issue its notes and bonds to achieve its corporate purposes ....”**<sup>19</sup>

Puerto Rico Industrial Development Company

1. “Under Introduction,” the PRIDCO Official Statements state that **the bonds are “to be issued pursuant to [the Act] and under the provisions of the [Indenture].”**<sup>20</sup>
2. Under “Puerto Rico Industrial Development Company,” the PRIDCO Official Statements state that: **“Under the Act, PRIDCO has the power ... to borrow money and issue bonds or notes ....”**<sup>21</sup>

Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities  
Financing Authority

1. Under “The Authority and Governing Board,” the AFICA Official Statements state that: **“The Authority is authorized to borrow money through the issuance of revenue bonds** and to loan the proceeds thereof to finance the acquisition,

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<sup>17</sup> See, e.g., HTA Official Statement, at 31.

<sup>18</sup> See, e.g., HFA Official Statement, dated December 11, 2003, pertaining to HFA Capital Fund Program Bonds (Puerto Rico Public Housing Administration Projects), Series 2003 (the “HFA 2003 Official Statement”), at 1.

<sup>19</sup> See, e.g., HFA 2003 Official Statement, at 3.

<sup>20</sup> See, e.g., Official Statement, dated July 23, 2003, pertaining to PRIDCO General Purpose Revenue Bonds, Series 2003 and Refunding Revenue Bonds, Series 2003 (the “PRIDCO 2003 Official Statement”), at 1.

<sup>21</sup> See, e.g., PRIDCO 2003 Official Statement, at 12.

construction and equipping of industrial, tourist, educational, medical, pollution control and solid waste disposal facilities.”<sup>22</sup>

#### Puerto Rico Infrastructure Financing Authority

1. Under “Introductory Statement,” the PRIFA Official Statements state that: **“The ... Bonds are being issued pursuant to the [Enabling Act], a Trust Agreement, and a resolution of the Board of Directors of the Authority ....”**<sup>23</sup>
2. Under “The Authority,” the PRIFA Official Statements state that: “The Authority has broad powers under the Enabling Act, including, among others, **the power to ... borrow money and issue bonds for any of its corporate purposes**, including the financing of the construction, rehabilitation, acquisition, repair, preservation and replacement of portions of the infrastructure of Puerto Rico ....”<sup>24</sup>
3. Under “Security for the Bonds,” the PRIFA Official Statements indicate that the revenues pledged to the payment of the Bonds include **“such proceeds of the federal excise tax imposed on rum and other articles produced in Puerto Rico and sold in the United States that are [(i)] transferred to the Commonwealth, [as required by the Federal Relations Act and the U.S. Internal Revenue Code,] and [(ii)] deposited to the credit of [a sinking fund], as required by the [PRIFA] Enabling Act ....”**<sup>25</sup>
4. Under “Commonwealth Covenant,” the PRIFA Official Statement states that: **“Pursuant to the Enabling Act, the Commonwealth has pledged to all holders of the ... Bonds that it will not limit or alter the rights or powers vested in the Authority by the Enabling Act so as to impair the rights of such holders until the ... Bonds and the interest thereon are fully met and discharged.”**<sup>26</sup>

#### Puerto Rico Municipal Finance Agency

1. Under “The Agency,” the MFA Official Statements state that: **“The Agency is authorized to issue bonds for the following purposes ....”**<sup>27</sup>

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<sup>22</sup> See, e.g., Official Statement, dated November 29, 2012, pertaining to AFICA Higher Education Revenue and Revenue Refunding Bonds, Series 2012 (University of the Sacred Heart Project), at 21.

<sup>23</sup> See, e.g., Official Statement, dated September 19, 2006, pertaining to PRIFA Special Tax Revenue Bonds, Series 2006 (the “PRIFA 2006 Official Statement”), at 1.

<sup>24</sup> See, e.g., PRIFA 2006 Official Statement, at 3.

<sup>25</sup> See, e.g., PRIFA 2006 Official Statement, at 9.

<sup>26</sup> See, e.g., PRIFA 2006 Official Statement, at 25.

<sup>27</sup> See, e.g., Official Statement, dated December 9, 2005, pertaining to MFA 2005 Series A Bonds, 2005 Series B Refunding Bonds, and 2005 Series C Refunding Bonds, at 3.

Puerto Rico Public Buildings Authority

1. The cover page of the PBA Official Statements states that: **The [Bonds] are being issued by the [Authority] pursuant to Act No. 56 of the Legislative Assembly of Puerto Rico, approved June 19, 1958, as amended, and under the provisions of [the Bond Resolution].**<sup>28</sup>
2. Under “Introduction,” the PBA Official Statements state that: **“The Bonds will be issued pursuant to [the Act] and under the provisions of [the Bond Resolution].”**<sup>29</sup>
3. Under “The Authority,” the PBA Official Statements state that: “The Authority has broad powers under the Enabling Act, including among others ... **to borrow money and issue bonds of the Authority for any of its corporate purposes**, and to secure payment of its bonds by pledge, mortgage, assignment or deed of trust of all or any of its properties, revenues or income ....”<sup>30</sup>

**Note:** The Puerto Rico Metropolitan Bus Authority, the Puerto Rico Port of the Americas Authority, COFINA, and the Puerto Rico Electric Power Authority and Revitalization Corporation are not included because there are no publicly available official statements with respect to their currently outstanding bonds, notes, or other obligations.

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<sup>28</sup> See, e.g., Official Statement, dated June 8, 2012, pertaining to PBA Government Facilities Revenue Refunding Bonds, Series U Guaranteed by the Commonwealth of Puerto Rico (the “PBA Series U Official Statement”), at cover page.

<sup>29</sup> See, e.g., PBA Series U Official Statement, at 1.

<sup>30</sup> See, e.g., PBA Series U Official Statement, at 23.